

SEMESTER I
(General and Honours)
Eco-1-1: MICRO ECONOMICS-I

Unit-1 Nature and scope of economics

- **Basic economic problems;**
 - what to produce?
 - How to produce?
 - For whom to produce? Basic
- **Definition of economics.**
 - Positive and normative economics
- **Methodology of economics.**
- **Concept of equilibrium.**
- **Economic models-its application.**
- **Concept of demand and supply-**
 - concept of Demand
 - Law of demand
 - Concept of supply
 - Law of supply
 - measurement and elasticity

Unit-2 Theories of consumer demand

- **Utility approach(cardinal and ordinal)**
- **Indifference curve approach;**
- **Consumer equilibrium-Hicks and Slutsky's theorem**
- **Compensated demand**
- **Engel curve**
- **Consumer surplus**

Unit -3 Theory of production

- **Importance of theory of production**
 - Factors of production
 - Returns to a factor
 - Total, Average and marginal products.
- **Law of returns to scale.**
- **Laws of variable proportions**
- **Production function**
 - Short and long run
- **Cobb-Douglas production functions.**
- **Least cost combination of input.**
- **Factor substitution**

Unit-4 Theory of cost

- **Cost function**
 - concept of cost
 - Traditional and modern theory of cost.

Derivation of long and short run cost curves and their relationship

Recent development in cost theory

Analysis of economics of scale-real and pecuniary

Unit-5 Welfare economics

- **Nature, scope and concept.**
- **Problems in measuring social welfare.**
- **Role of value judgment.**
- **Criteria of social welfare-growth of GNP**
- **Bentham's Cardinalist and Pareto.**